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Country cooperation frameworks and related matters

Second extension of the first country cooperation framework for Argentina

Note by the Administrator

Period of extension:
1 January 2001 through 31 December 2001

I. Background and justification

1. At its third regular session 1997, the Executive Board approved the first country cooperation framework (CCF) for Argentina, for the period 1997 to 1999. Upon request from the previous Government, the first CCF was extended for one additional year (2000), considering that at this stage the priorities established in the approved CCF did not require significant changes. This also aimed to enable the new government authorities, who took over in December 1999, to establish their own priorities, according to their needs and demands.

2. However, in view of the present socio-economic crisis that the country faces, the Government of Argentina is requesting a further one-year extension, in order to define more adequately the lines of action of the future programme. Although not mandatory in the case of Argentina, this extension would also allow the harmonization of programme periods within the framework of the United Nations system.

II. Objectives

3. The CCF for the period 1997-1999 was based on the interaction of two dimensions: UNDP functional strategy and the thematic contents.

4. Within this framework, the main functions of UNDP were geared to: (a) contribute to national reflection on the development policies and situation from a sustainable human development perspective (SHD) (advocacy); (b) contribute to the promotion of innovative initiatives in the fields of poverty eradication, employment generation, social capital promotion and democracy; (c) support SHD-oriented programmes to consolidate a real national managerial capacity, both at national and provincial levels. The thematic areas selected to be covered by the

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CCF, which remain valid through this extension are: (a) strengthening of the market, institutions and equality; and (b) adequate management of natural resources and the habitat.

5. The CCF continues to be highly relevant, according to the Government's present needs and demands.

6. Examples of strategic functions include:

National reflection on development issues

As a substantive contribution to overcome the country development challenges faced by the new Government, UNDP entrusted the elaboration of a set of policy papers on governance issues. They were submitted to the President as soon as he was elected, in October 1999, as well as to his immediate collaborators.

7. The policy papers addressed the following issues:

(a) An Agenda for Institutional Development was elaborated with the support of a think tank from a highly recognized non-governmental organization, the Foundation for Government and Society. Action proposals on social cohesion and economic governance were prepared, with the support of a national team coordinated by a leading academic. Four priority axes were defined to strengthen Argentina: (i) governance and a second generation of social policies; (ii) governance and a second generation of social policies; (iii) fiscal reform and socio-economic equity; (iv) the effective confrontation of structural poverty; and (v) social anomaly, urban violence and the safety of citizens;

(b) Development initiatives for the micro-, small- and medium-scale enterprises were prepared with the support of the well-known *Instituto de Estudios sobre la Realidad Argentina y Latinoamericana*;

(c) The base documents that supported the contents of the policy papers were published in a book collection of policy issues (three books during 2000).

8. UNDP also supported the National Political Reform Programme. In this framework, a proposal for new regulations and laws for political parties and electoral campaign funding was prepared, as well as the electoral system reform. In the same way, three books containing the mapping of the Government's structure and functions were published and are also available on the Internet.

Promotion of innovative initiatives

9. On the basis of the methodology jointly developed with the Inter-American Development Bank in 1998 for the elaboration of a Civil Society Index, a pilot test was carried out in five Argentine provinces. A book containing the results of the experience was also published in 2000.

10. In the same way – in this case, both with the Inter-American Development Bank and the World Bank, proposals to improve the legal, fiscal and regulatory framework of civil society organizations were developed and published.

11. Jointly with a prestigious private university, the country office underwent pilot experiences in two Argentine provinces, Mendoza and Tierra del Fuego, in order to build a set of performance indicators of institutional development applicable to other provinces.

12. As regards actions with the private sector, UNDP supported two successful workshops on investment promotion organized by the Argentine Industrial Entrepreneurs Organization (*Unión Industrial Argentina*), carried out together with the World Bank, in the cities of Mar del Plata and San Rafael.

Strengthening of capacities

13. UNDP support has allowed the Government to assume greater responsibility in programme and project execution through the: (a) training of national staff; (b) provision of procedure handbooks; (c) provision of management and accounting software; and (d) identification of best practices in project management. UNDP is presently cooperating with provincial institutions to extend its capacity-building actions to that level.

14. The support provided by UNDP is also oriented towards strengthening formulation and improving the technical and substantive monitoring and evaluation capacity of the programmes, focusing on the management of quality and impact from an SHD perspective.

15. Within this framework, some examples follow:

Strengthening of the market, institutions and equality

16. As Regards the market, UNDP supported the Development of the Mining Sector Programme, financed by the World Bank. Through this project, mining legislation was reordered, a survey was made on the technical level of mining and the entrepreneurial capacities of the small- and medium-scale enterprises; a mining and environmental system was designed, as well as a national mining technology system; ad the administrative and operational capacity of the national and provincial public mining institutions was developed.

17. Regarding institutions, UNDP supported the reform of the sector as a whole, both the Government's managerial and normative roles, as well as with respect to the social security service providers and the pensioners' health scheme. Moreover, UNDP contributed to the management of a programme specifically directed to the streamlining hospitals managerial model, on the basis of pilot experiences, which will include different autonomous managerial alternatives for this service.

18. In order to strengthen equality, UNDP provided support for the training in semi-skilled occupations and practices in companies of 100,000 youths (50 per cent of whom are women) from low-income sectors, with little schooling. Likewise, the Regional Employment Offices were strengthened, particularly in their role of orienting and training youth, with a view to their occupational insertion.

Adequate management of natural resources and habitat

19. Among other initiatives, UNDP provided technical and financial support to enable the technological reconversion of the industries that use gases or substances that affect the ozone layer in their manufacturing processes. The project brought together the global interests for defending the planet with the companies' objective of remaining active in a market that is being fully reformulated.

III. Recommendation

20. The Administrator wishes to inform the Executive Board that he has approved the second extension of the first country cooperation framework for Argentina for a period of one year, 1 January 2001 through 31 December 2001.

Annex

Resource mobilization target table for Argentina
For the extended period: 1997-2001
Original period: 1997-1999
Two one-year CCF extensions from 2000 to 2001

Source	*Amount (In thousands of United States dollars)*	*Comments*
UNDP regular resources		
Estimated carry-over	(363)	Includes AOS
IRAC 1.1.1	1 300	Assigned immediately to country
IRAC 1.1.2	0 to 66.67	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	344	
Subtotal	**1 281***	
UNDP other resources		
Government cost-sharing	581 036	
Third party cost-sharing	666 710	
Funds, trust funds and other:	4 355	
of which:		
GEF	3 497	
Montreal Protocol	858	
Subtotal	**1 252 101**	
Grand total	**1 253 382**	

* Not inclusive of IRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; IRAC = target for resource assignment from the core.